

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan RETIREMENT PLAN FOR HOURLY NON UNION EMPLOYEES OF MTD PRODUCTS INC 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) MTD PRODUCTS INC P. O. BOX 368022 CLEVELAND, OH 44136-9722	1b Three-digit plan number (PN) ►	303	
	1c Effective date of plan	01/01/1986	
	2b Employer Identification Number (EIN)	06-1650267	
	2c Sponsor's telephone number	330-225-2600	
	2d Business code (see instructions)	333900	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	FRAN M. WALSH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	PAUL R. CAJA
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MTD PRODUCTS INC P. O. BOX 368022 CLEVELAND, OH 44136-9722	3b Administrator's EIN 06-1650267 3c Administrator's telephone number 330-225-2600
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1812
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1184
b Retired or separated participants receiving benefits.....	6b	210
c Other retired or separated participants entitled to future benefits.....	6c	335
d Subtotal. Add lines 6a , 6b , and 6c	6d	1729
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	27
f Total. Add lines 6d and 6e	6f	1756
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	19

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☐ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR HOURLY NON UNION EMPLOYEES OF MTD PRODUCTS INC</u>	B Three-digit plan number (PN) ▶ <u>303</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MTD PRODUCTS INC</u>	D Employer Identification Number (EIN) <u>06-1650267</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>13186133</u>
b Actuarial value	2b <u>14504746</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>218</u> <u>3964372</u>
b For terminated vested participants	3b <u>318</u> <u>1885414</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>746212</u>
(2) Vested benefits	3c(2) <u>8607889</u>
(3) Total active	3c(3) <u>1276</u> <u>9354101</u>
d Total	3d <u>1812</u> <u>15203887</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.57</u> %
6 Target normal cost	6 <u>848387</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/07/2010</u>
Signature of actuary	Date
<u>MATTHEW C. KAISER</u>	<u>08-05784</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>216-937-4000</u>
Firm name	Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	4032744	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	834486	0
9	Amount remaining (Item 7 minus item 8).....	3198258	0
10	Interest on item 9 using prior year's actual return of <u>-26.85</u> %	-858732	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		893155
b	Interest on (a) using prior year's effective rate of <u>6.23</u> %		55644
c	Total available at beginning of current plan year to add to prefunding balance		948799
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	2339526	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	80.01 %
15	Adjusted funding target attainment percentage.....	15	95.40 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	106.09 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/09/2009	190887				
01/15/2010	190887				
09/14/2010	2347192				
			Totals ►	18(b)	2728966
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 2466575
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.32 %	2nd segment: 6.45 %	3rd segment: 6.69 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	848387
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	848387
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	406412	0
36 Additional cash requirement (item 34 minus item 35).....	36	441975
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	2466575
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2024600
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2009 This Form is Open to Public Inspection.	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan RETIREMENT PLAN FOR HOURLY NON UNION EMPLOYEES OF MTD PRODUCTS INC				B Three-digit plan number (PN) ▶ 303	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 MTD PRODUCTS INC				D Employer Identification Number (EIN) 06-1650267	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: MTD PRODUCTS INC MASTER TRUST					
b Name of sponsor of entity listed in (a): NORTHERN TRUST COMPANY					
c EIN-PN 34-7096519-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15681150	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan RETIREMENT PLAN FOR HOURLY NON UNION EMPLOYEES OF MTD PRODUCTS INC	B Three-digit plan number (PN) ► 303
C Plan sponsor's name as shown on line 2a of Form 5500 MTD PRODUCTS INC	D Employer Identification Number (EIN) 06-1650267

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1914000	2538079
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	11350825	15681150
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	13264825	18219229

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13264825	18219229
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2728966	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2728966

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		2752296
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		5481262

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	589175	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		589175
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		589175

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4892087
l Transfers of assets:			
(1) To this plan.....	2l(1)		62317
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: THORNHILL FINANCIAL, INC.

(2) EIN: 34-1818419

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>RETIREMENT PLAN FOR HOURLY NON UNION EMPLOYEES OF MTD PRODUCTS INC</u>	B Three-digit plan number (PN) ▶ <u>303</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MTD PRODUCTS INC</u>	D Employer Identification Number (EIN) <u>06-1650267</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-3046063</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>27</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 14% Investment-Grade Debt: 3% High-Yield Debt: _____% Real Estate: _____% Other: 83%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**MTD PRODUCTS INC
RETIREMENT PLAN FOR NON-OHIO, HOURLY, NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

**MTD PRODUCTS INC
RETIREMENT PLAN FOR NON-OHIO, HOURLY, NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
INDEX TO FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008

Statements of Changes in Net Assets Available for Benefits for the Years Ended
December 31, 2009 and 2008

Statement of Accumulated Plan Benefits as of January 1, 2009

Statement of Changes in Accumulated Plan Benefits for the Year Ended
January 1, 2009

Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Administrator of the MTD Products Inc Retirement Plan for Hourly Non-Union Employees (No. 303) of MTD Products Inc:

We were engaged to audit the financial statements of the MTD Products Inc Retirement Plan for Non, Ohio, Hourly, Non-Union Employees (No. 303) of MTD Products Inc (the Plan) as of December 31, 2009 and 2008, and for the year then ended, as listed in the accompanying index. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Thornhill Financial, Inc.

Strongsville, Ohio
October 5, 2010

MTD PRODUCTS INC
RETIREMENT PLAN FOR HOURLY NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Assets		
Investments:		
Interest in MTD Products Inc Master Retirement Trust	\$ 15,681,150	\$ 11,350,825
Employer contributions receivable	<u>2,538,079</u>	<u>1,914,000</u>
Net Assets Available for Benefits	<u><u>\$ 18,219,229</u></u>	<u><u>\$ 13,264,825</u></u>

The accompanying notes to financial statements are an integral part of these statements.

MTD PRODUCTS INC
RETIREMENT PLAN FOR HOURLY NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions		
Investment income (loss)		
Interest in MTD Products Inc Master Retirement		
Trust net investment gain (loss)	\$ 2,914,737	\$ (4,291,325)
Employer contributions	<u>2,728,966</u>	<u>1,914,000</u>
Total additions	<u>5,643,703</u>	<u>(2,377,325)</u>
Deductions		
Benefit payments	589,175	668,496
Administrative expenses	<u>162,441</u>	<u>129,151</u>
Total deductions	<u>751,616</u>	<u>797,647</u>
Transfers From Other Plans, Net	<u>62,317</u>	<u>-</u>
Net increase (decrease)	4,954,404	(3,174,972)
Net Assets Available for Benefits		
Beginning of Year	<u>13,264,825</u>	<u>16,439,797</u>
End of Year	<u><u>\$ 18,219,229</u></u>	<u><u>\$ 13,264,825</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**MTD PRODUCTS INC
RETIREMENT PLAN FOR HOURLY NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
STATEMENT OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2009**

Actuarial Present Value of Accumulated Plan Benefits

Vested benefits:

Participating employees	\$ 6,399,257
Deferred vested	1,398,488
Retirees and beneficiaries	3,467,474
	11,265,219

Nonvested benefits	605,774
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Total Actuarial Present Value of Accumulated Plan Benefits	\$ 11,870,993
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The accompanying notes to financial statements are an integral part of this statement.

MTD PRODUCTS INC
RETIREMENT PLAN FOR HOURLY NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED JANUARY 1, 2009

Increase (Decrease) During The Year Attributable To:

Benefits accumulated	\$ 564,028
Actuarial losses	(254,116)
Decrease in the discount period	922,915
Benefits paid	<u>(668,496)</u>
Net increase	564,331

Actuarial Present Value of Accumulated Plan Benefits

Beginning of year	<u>11,306,662</u>
End of year	<u><u>\$ 11,870,993</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**MTD PRODUCTS INC
RETIREMENT PLAN FOR HOURLY NON-UNION
EMPLOYEES (NO. 303) OF MTD PRODUCTS INC
NOTES TO FINANCIAL STATEMENTS**

1. THE PLAN

General

The MTD Products Inc Retirement Plan for Non-Ohio, Hourly, Non-Union Employees (No. 303) of MTD Products Inc (the Plan) is a defined benefit plan covering all non-bargaining unit hourly employees of certain divisions and subsidiaries of MTD Products Inc (the Company) located outside of the State of Ohio and not covered under one of the Company's other defined benefit pension plans. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Company is the Plan's sponsor and administrator. The assets of the Plan are maintained, and transactions therein are executed by the Trustee, The Northern Trust Company. Expenses pertaining to administration of the Plan are paid from the assets of the Plan. For a complete description of plan provisions, reference should be made to the plan document, which is available to all plan participants.

Participation

Employees hired prior to January 1, 2006 became eligible to participate in the Plan following attainment of age 21 and completion of one year of service and 1,000 hours. Employees hired on or after January 1, 2006 will not be eligible to participate in the Plan. Upon attainment of age 75, participants of the MTD Products Inc Retirement Plan for Salaried Employees (No. 302) are moved to this Plan.

Vesting Service

Participants become fully vested after 5 years of vesting service or upon attainment of age 65.

Pension Benefits

The Plan generally provides for monthly pensions upon retirement at age 65 or earlier if a participant has completed the early retirement service requirements or is eligible for disability retirement, as defined. The monthly normal retirement benefit is equal to years of credited service, as defined in the Plan, multiplied by the current benefit level. The current benefit levels in effect as of December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
MTD Products Inc. Martin Division Employees	\$17.50	\$17.50
Aircap/MTD Division Employees	15.50	15.50
Modern Transmission Development Company Employees	13.50	13.50
MTD Southwest Division Employees	12.50	12.50
Hartup Tool, Inc. Employees	16.00	16.00

An employee is eligible for early retirement after age 55 and five years of vesting service. The annual early retirement benefit for an employee shall be equal to the employee's accrued benefit, as defined, at termination of employment. An employee electing early retirement benefit payments to commence prior to the normal retirement date shall have the accrued benefit reduced as defined in the Plan. The Plan also provides for certain disability, termination and pre-retirement death benefits.

As defined by the Plan, retiring participants receive the value of their accumulated plan benefits on a straight-life basis or on an actuarially equivalent 50%, 66-2/3%, 75% or 100% joint and survivor basis. Unless otherwise elected, any benefit payable under the Plan shall be paid on a 50% joint and survivor basis, if the employee is married, or on a straight-life basis otherwise.

Distribution of Benefits

The Plan has the right to pay its obligation (vested benefits) to a terminated participant in a lump sum equivalent to the actuarial value of what the participant would receive as a retiree. The maximum actuarial value that may be distributed in a lump sum is \$5,000 per individual, as adjusted for inflation pursuant to Internal Revenue Code (IRC) requirements. Benefits that are not paid in a lump sum to a participant are paid to the participant as a monthly pension.

Plan Termination

The plan document provides that the Company reserves the right to amend or terminate the Plan, in whole or part. In the event the Plan is terminated, the net assets of the Plan will be allocated as prescribed by ERISA regulations.

The Pension Benefit Guaranty Corporation (PBGC) insures certain benefits under the Plan if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

The financial statements are prepared on the accrual basis of accounting.

Benefit Payments

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. FUNDING POLICY

The Company contributions represent amounts necessary to provide the Plan with assets sufficient to fund participants' benefits based upon actuarial calculations. Investment income is used to adjust future contributions that would otherwise be required to provide for the defined benefits under the Plan. The Company met the minimum funding requirements of ERISA in 2009 and 2008.

4. MASTER TRUST & FAIR VALUE MEASUREMENTS

The assets of the Plan are held by the Trustee and are commingled with the assets of other Company retirement plans in the MTD Products Inc Master Retirement Trust (the Master Trust). Pursuant to the Master Trust agreement, the Master Trust net assets at December 31, 2009 and 2008 were allocated based on each plan's proportional share of the Master Trust at that date. At December 31, 2009 and 2008, the Plan's interest in the net assets of the Master Trust was approximately 8%.

Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, formerly FASB Statement No. 157, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value as held by the Master Trust. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Common and preferred stock, corporate and government bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and common collective funds: Valued at the net asset value of shares held by the Master Trust at year end.

Cash and cash equivalents: Valued at cost which approximates fair value.

Partnerships and joint venture interests: Valued at fair value based on audited financial statements.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2009 and 2008:

December 31, 2009				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,354,570	\$ -	\$ -	\$ 1,354,570
Common stock	30,176,568	-	-	30,176,568
Government bonds	5,693,927	-	-	5,693,927
Corporate bonds	3,257,378	-	-	3,257,378
Partnerships/joint venture interests	-	-	4,149,439	4,149,439
Mutual funds	64,771,443	-	-	64,771,443
Common collective funds	-	96,723,569	-	96,723,569
	<u>\$ 105,253,886</u>	<u>\$ 96,723,569</u>	<u>\$ 4,149,439</u>	<u>\$ 206,126,894</u>

December 31, 2008				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,005,382	\$ -	\$ -	\$ 1,005,382
Common stock	21,850,608	-	-	21,850,608
Preferred stock	140,725	-	-	140,725
Government bonds	8,443,417	-	-	8,443,417
Corporate bonds	4,299,617	-	-	4,299,617
Partnerships/joint venture interests	-	-	5,903,201	5,903,201
Mutual funds	93,376,359	-	-	93,376,359
Common collective funds	-	25,323,482	-	25,323,482
	<u>\$ 129,116,108</u>	<u>\$ 25,323,482</u>	<u>\$ 5,903,201</u>	<u>\$ 160,342,791</u>

The table below sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the years ended December 31, 2009 and 2008:

	Partnerships/ Joint Venture Interests
Balance, December 31, 2007	\$ 4,052,930
Unrealized gains	850,271
Purchases, sales, issuances and settlements (net)	<u>1,000,000</u>
Balance, December 31, 2008	5,903,201
Unrealized losses	<u>(1,753,762)</u>
Balance, December 31, 2009	<u><u>\$ 4,149,439</u></u>

Investment income (loss) for the Master Trust for the years ended December 31, 2009 and 2008 is as follows:

	2009	2008
Net unrealized appreciation (depreciation) of investments:		
Corporate common stock	\$ 4,758,664	\$ (14,235,877)
Common/collective trusts	20,513,279	(9,522,401)
Mutual funds	<u>12,302,420</u>	<u>(35,430,294)</u>
	37,574,363	(59,188,572)
Net realized gain (loss) on sale of investments	2,355,209	(2,824,803)
Interest and dividend income	<u>980,024</u>	<u>2,044,363</u>
	<u><u>\$ 40,909,596</u></u>	<u><u>\$ (59,969,012)</u></u>

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

5. INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee of the Plan has certified to the completeness and accuracy of all investments reflected on the statements of net assets available for benefits as of December 31, 2009 and 2008, the related investment activity reflected in the statements of changes in net assets available for benefits for the years ended December 31, 2009 and 2008, and investment related information in the accompanying notes to financial statements.

6. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to: (a) present employees or their beneficiaries, (b) retired or terminated employees or their beneficiaries and (c) beneficiaries of employees who have died.

The actuarial present value of accumulated plan benefits is determined by the actuary and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The significant assumptions underlying the actuarial calculations as of January 1, 2009 and 2008 are as follows:

Funding method	Unit Credit Cost Method
Discount rate (minimum contribution purposes)	6.57% in 2009 and 6.23% in 2008
Investment rate of return	8.0 %
Mortality basis	RP-2000 Mortality Table
Normal retirement age	Age 65

7. TAX STATUS

The Plan obtained its latest determination letter on February 4, 2009, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the IRC. The Plan is required to operate in conformity with the IRC to maintain qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and therefore, no provision for income taxes has been included in the Plan's financial statements.

8. RELATED PARTY

At December 31, 2009 and 2008, the Master Trust owned a total of 1,104,400 shares of Shiloh Industries, Inc., a majority-owned subsidiary of the Company. The market value of those shares was \$5,853,320 and \$3,313,200 at December 31, 2009 and 2008, respectively.

Administration and custodial fees are paid to Northern Trust Company, the trustee of the plan, therefore, these transactions qualify as party-in-interest transactions.

9. SUBSEQUENT EVENTS

Plan management evaluated subsequent events through October 5, 2010, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	MTD Products Inc
EIN/PN	06-1650267 / 303
Plan Name	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
Valuation Date	January 1, 2009
Enrolled Actuary	Matthew C. Kaiser
Enrollment Number	08-05784

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	06-1650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>Ret Plan for Hrly Non-Union Emp of MTD Prods Inc</u>	B Three-digit plan number (PN) <u>303</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MTD Products Inc</u>	D Employer Identification Number (EIN) <u>06-1650267</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	13,186,133	
b Actuarial value.....	2b	14,504,746	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	218	3,964,372
b For terminated vested participants	3b	318	1,885,414
c For active participants:			
(1) Non-vested benefits.....	3c(1)		746,212
(2) Vested benefits.....	3c(2)		8,607,889
(3) Total active	3c(3)	1,276	9,354,101
d Total.....	3d	1,812	15,203,887
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.57 %	
6 Target normal cost.....	6	848,387	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Matthew C. Kaiser/ MCK</u> Signature of actuary <u>Matthew C. Kaiser</u> Type or print name of actuary <u>Towers Watson Delaware Inc.</u> Firm name <u>1001 Lakeside Avenue, Suite 1900</u> <u>Cleveland</u> <u>OH 44114</u> Address of the firm	<u>10/7/2010</u> Date <u>08-05784</u> Most recent enrollment number <u>(216) 937-4000</u> Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	4,032,744	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	834,486	0
9 Amount remaining (Item 7 minus item 8)	3,198,258	0
10 Interest on item 9 using prior year's actual return of <u>26.85</u> %	(858,636)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		893,155
b Interest on (a) using prior year's effective rate of <u>6.23</u> %		55,644
c Total available at beginning of current plan year to add to prefunding balance		948,799
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	2,339,622	0

Part III Funding percentages		
14 Funding target attainment percentage	14	80.01 %
15 Adjusted funding target attainment percentage	15	95.40 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.09 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/09/2009	190,887				
01/15/2010	190,887				
09/14/2010	2,347,192				
Totals ▶			18(b)	2,728,966	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	2,466,575

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.32 %	2nd segment: 6.45 %	3rd segment: 6.69 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	848,387
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	848,387
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	406,412	0
36 Additional cash requirement (item 34 minus item 35)	36	441,975
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	2,466,575
38 Interest-adjusted excess contributions for current year (see instructions)	38	2,024,600
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2009

See Schedule SB, Part V, Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

As of January 1, 2009 valuation date, the weighted average retirement age is 64.

<u>Age at Retirement</u>	<u>Rates of Retirement</u>	<u>Percent Retiring</u>	<u>Weighted Ages</u>
(1)	(2)	(3)	(1) x (3)
55	0.50%	0.50%	0.2750
56	0.50%	0.50%	0.2786
57	0.50%	0.50%	0.2822
58	0.50%	0.49%	0.2857
59	0.50%	0.49%	0.2891
60	0.50%	0.49%	0.2926
61	0.50%	0.49%	0.2960
62	10.00%	9.66%	5.9862
63	2.50%	2.17%	1.3686
64	2.50%	2.12%	1.3556
65	100.00%	82.61%	53.6941

Weighted Average Retirement Age	64
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Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	06-1650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumption/Methods

Plan Sponsor

MTD Products Inc

EIN/PN

06-1650267/303

Discount Rates

Current plan year PPA effective interest rate: 6.57%

Prior plan year PPA effective interest rate: 6.23%

3-Segment Rates

Applicable month: January

Transition election: No

SFAS 35: 8.00%

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is \$111,547.

Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	06-1650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Mortality

For non-disabled participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

For FAS 35 purposes: The RP-2000 Combined Healthy Mortality Table with separate rates for male and female non-disabled participants.

Retirement

The following rates have been initialized as the assumed incidence of retirement:

Attained Age	Rate
55 – 61	0.5%
62	10.0%
63 – 64	2.5%
65 and older	100.0%

Disability Rates

The DP-1985 Disability Table using sex distinct rates for male and female employees. The rates at the following illustrative ages indicate the disability incidence assumptions used:

Incidence of Disability (per 1,000)		
Attained Age	Males	Females
20	.29	.30
25	.38	.47
30	.48	.80
40	1.17	2.11
50	3.58	5.33
55	7.22	9.52
60	12.56	11.59

Disabled mortality

The Revenue Ruling 96-7 disability mortality tables for males and females are used for Target Liability and Target Normal Cost.

For FAS 35: 1985 Premium Disability Mortality, sex distinct.

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN: 06-1650267 / 303
Plan Sponsor: MTD Products Inc
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Future Increases in Social Security

Not applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

It is assumed that maximum benefit and plan compensation limitations under the Internal Revenue Code will not increase in the future.

Representative Termination Rates not Due to Disability, Retirement or Mortality

Annual Rate of Withdrawal		
Attained Age	Males	Females
20	3.50%	3.50%
25	3.50	3.50
30	3.50	3.50
35	1.75	1.75
45	Nil	Nil
50	Nil	Nil
55	Nil	Nil

Form of Payment

Participants are assumed to elect the normal form.

Marriage

80% of eligible participants are assumed to be married. In addition, male spouses are assumed to be three years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Asset Method

Average value of assets determined as the average of the fair market value of assets over a twelve month period prior to the valuation date using two data points (December 31, 2007 and December 31, 2008) adjusted for subsequent cash flows and expected returns. The changes under WRERA were reflected as of January 1, 2009. Specifically, the assumed rate of return on plan assets for the prior year (pursuant to IRS Notice 2009-22) was 6.43%, which is the lesser of the anticipated rate of return, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.43%. The resulting asset value must be between 90% and 110% of the fair market value of assets.

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN: 06-1650267 / 303
Plan Sponsor: MTD Products Inc
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Participant Data

Employee data was supplied by the Company as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2009 is used to determine the maximum deductible contribution for the tax year ending October 31, 2009.

Benefits not Included in Valuation

None.

PBGC Premium Funding Target

For purposes of determining the PBGC Premium Funding Target in Section 2.2.D, the Standard Premium Funding Target was determined using the assumptions described above, except the three-segment interest rates for December 2008 were used instead of the above interest assumption.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	06-1650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

MTD Products Inc.

Plan

Retirement Plan for Hourly Non-Union Employees of MTD Products Inc. (No. 303)

Effective Date and Most Recent Amendment

January 1, 1986; amended and restated effective January 1, 2007. Most recently amended effective January 1, 2008..

Employer

Former Plan 303: MTD Products Inc

Former Plan 317: Aircap Industries

Former Plan 318: Modern Transmission Development Company

Former Plan 319: Hartup Tool, Inc.

Plan Year

The twelve-month period ending December 31, 2009.

Coverage and Participation

Former Plan 303: All hourly paid employees of the former Plan 303 of the Employer who are employed by the Martin Plant Division of MTD Products Inc on or after 1/1/1985, and who have attained age 21 and have completed one year of Eligibility Service.

Former Plan 317: All hourly paid employees of the former Plan 317 of the Employer who have attained age 21 and have completed one year of Eligibility Service.

Former Plan 318: All hourly paid employees of the former Plan 318 of the Employer who have attained age 21 and have completed one year of Eligibility Service.

Former Plan 319: All hourly paid employees of the former Plan 319 of the Employer who have attained age 21 and have completed one year of Eligibility Service.

The plan is frozen to future new hires, effective January 1, 2006.

Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	06-1650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Credited Service

Credited Service is the period of service starting when an employee becomes a participant under the Plan and ending on a participant's severance from employment. Service prior to 1/1/1995 is excluded for employees of former Plan 317.

Eligibility Service

Eligibility Service is the 12-month consecutive period of service commencing with date of hire and anniversaries thereof during which an employee has completed 1,000 hours of service. Service prior to 4/1/1994 is excluded for employees of former Plan 317.

Vesting Service

Same as Eligibility Service.

Normal Retirement Date

The first of the month coincident with or next following attainment of Normal Retirement Age. Normal Retirement Age shall mean the participant's 65th birthday.

Normal Retirement Benefit

Former Plan 303: The monthly Normal Retirement Benefit upon reaching Normal Retirement Age is equal to years of Credited Service multiplied by the applicable benefit level. The current benefit level is \$17.50.

Former Plan 317: The monthly Normal Retirement Benefit upon reaching Normal Retirement Age is equal to years of Credited Service multiplied by the applicable benefit level. The benefit level and effective dates are shown below:

Date of Retirement	Benefit Level
01/01/1995 – 12/31/1997	\$8.50
01/01/1998 – 12/31/1998	10.00
01/01/1999 – 12/31/1999	11.00
01/01/2000 – 12/31/2000	12.00
01/01/2001 – 12/31/2001	13.00
01/01/2002 – 03/31/2004	14.00
On or after 04/01/2004	15.50

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN: 06-1650267 / 303
Plan Sponsor: MTD Products Inc
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Former Plan 318: The monthly Normal Retirement Benefit upon reaching Normal Retirement age is equal to years of Credited Service multiplied by the applicable benefit level. The benefit level and effective dates are shown below:

Date of Retirement	Non-Ryobi Benefit Level	Ryobi Benefit Level
01/01/1997 – 12/31/1998	\$9.00	
01/01/1999 – 12/31/2000	10.00	\$10.00 (7/1/2000)
01/01/2001 – 12/31/2001	11.00	10.00
01/01/2002 – 03/31/2004	12.00	11.00
On or after 04/01/2004	13.50	12.50

Former Plan 319: The monthly Normal Retirement Benefit upon reaching Normal Retirement age is equal to years of Credited Service multiplied by the applicable benefit level. The current benefit level is \$16.00.

Early Retirement

Eligibility: Eligible upon attainment of age 55 and 5 years of Vesting Service.

Benefit: The Normal Retirement Benefit determined at date of Early Retirement, and payable upon retirement or payable at a later date elected by the employee, but in either case reduced actuarially in accordance with the Plan's Early Retirement Table.

Disability Benefit

Eligibility: Eligible upon total disability after completion of 15 years of Vesting Service.

Benefit: The Normal Retirement Benefit determined at date of Disability Retirement, payable immediately following the month in which the participant is determined to be Permanently and Totally Disabled.

Vested Benefits Upon Termination of Service

Vesting: Eligible at any age with 5 years of Vesting Service.

Termination Benefit: The accrued Normal Retirement Benefit payable at age 65 or, alternatively, a reduced pension payable as early as age 55 reduced actuarially in accordance with the Plan's Early Retirement Table.

Pre-Retirement Spouse's Benefit

Eligibility: Eligibility requires an employee to be at least age 55, married at the time of death, and have elected the benefit, or an employee who dies on or before his earliest retirement age while eligible for vested benefits and is married at the time of death.

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN: 06-1650267 / 303
Plan Sponsor: MTD Products Inc
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Benefit: The surviving spouse will receive 50% of the benefit that would have been payable to the employee had he retired the day before he died with the 50% J&S form of benefit in effect. If an employee dies before his earliest retirement age, 50% of the benefit that would have been payable to the employee had he separated from employment on the date of death, survived to his earliest retirement age, retired with the 50% J&S form of benefit in effect, and died the day after his earliest retirement age.

Optional Forms of Retirement Income in Lieu of Normal Form

An employee may elect to receive his benefit on a straight-life basis or on an actuarially equivalent 50%, 66-2/3%, 75% or 100% Joint and Survivor basis. Unless otherwise elected, any benefit payable under the Plan shall be paid on a 50% Joint and Survivor basis, if the employee has been married to his current spouse for at least one year, or on a straight-life basis otherwise.

Transfer of Participants

Effective January 1, 2001, assets and liabilities for retirees age 75 and older in Plan 302 were transferred to this Plan.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN: 06-1650267 / 303
Plan Sponsor: MTD Products Inc
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

Other than the prescribed changes in the discount rate and mortality, the following changes in method were made as part of this valuation:

- The asset method reflects legislated changes under WRERA to reflect an expected rate of return.
- The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effect of any changes that are automatically approved under final IRC 430 regulations) and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore, the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

Plan Name:	Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
EIN / PN:	061650267 / 303
Plan Sponsor:	MTD Products Inc
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2009

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		15		0		0		0		0		0		0		0		0	
25 - 29	0		53		77		0		0		0		0		0		0		0	
30 - 34	0		33		78		37		0		0		0		0		0		0	
35 - 39	0		29		59		90		18		0		0		0		0		0	
40 - 44	0		21		57		87		20		7		0		0		0		0	
45 - 49	0		19		59		98		23		13		0		0		0		0	
50 - 54	0		20		42		78		12		5		0		0		0		0	
55 - 59	0		12		40		75		10		6		0		0		0		0	
60 - 64	0		6		9		33		4		5		0		0		0		0	
65 - 69	0		1		4		11		1		5		0		0		0		0	
70 & Over	0		1		0		1		1		1		0		0		0		0	

Plan Name: Retirement Plan for Hourly Non-Union Employees of MTD Products Inc (No. 303)
 EIN / PN: 06-1650267 / 303
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 Valuation Date: January 1, 2009